Alabama Medicaid Agency on Behalf of the State of Alabama
Application for
State Health Information Exchange Cooperative Agreement Program
Funding Opportunity Number: EP-HIT-09-01, CFDA 93.719

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1. **Letter of Intent**

The Letter of Intent was submitted on September 10, 2009. Please see Attachment "A" for a copy of this letter. Email confirmation of receipt was received September 11, 2009.

2. **DUNS Number: 001904635**

3. **Not Applicable**

4. **Project Abstract –** Please note that Attachment "B" contains a separate version of the abstract including all required header information.

Since January 2007, the Alabama Medicaid Agency has established basic health information exchange (HIE) in Alabama through a Medicaid Transformation Grant (MTG) initiative known as *Together for Quality*. As a result, Alabama has a web-based electronic health record system that compiles claims-based information from both Alabama Medicaid and Blue Cross and Blue Shield of Alabama as well as certain physician-entered clinical information. This information is available through an end use application known at QTool or through uni-directional CCD exchange. Alabama's current HIT system is a hybrid model, with Medicaid data centralized and other data sources pulled in at the time of query. Now, the lessons learned from this initiative position our state to move forward to develop the statewide policy, governance, technical infrastructure and business practices needed to support both the delivery of HIE services and providers' ability to meet meaningful use criteria.

Alabama will build the necessary capacity to meet long term goals for local, state, regional and national interoperability and exchange with the goal of such an exchange to advance the

adoption and meaningful use of electronic health records by a diverse group of health care providers in order to improve the quality, safety and efficiency of health care delivered. Simultaneously, Alabama seeks to build the necessary capacity to meet long term goals in all five essential domains.   Alabama's approach is to build upon current infrastructure to give providers the ability to exchange multiple layers of information among themselves and with others to drive quality improvement. This would initially be supplied as a limited data and decision support set, then expanded based on decisions made by an independent leadership organization. To that end, our objectives include: 1) development of comprehensive strategic and operational plans; 2) establishment of a broad-based independent organization that will have HIE governance authority and sustainability responsibility; 3) creation of trust and consensus on an approach for statewide HIE with oversight and accountability; 4) development and maintenance of a strong collaborative relationship with the Regional Extension Center and other initiatives to facilitate the provider education and adoption of EMRs; 5) expansion of the state's current HIE system.   Expected outcomes include 1) Development of functional business rules and policies to implement HIE and facilitate meaningful use; 2) Implementation of governance, membership and involvement framework and requirements; 3) Key decisions made regarding future sustainability and financing of the HIE; 4) Implementation of technical infrastructure and architecture to physically enable HIE in a secure and appropriate manner; and 5) Implementation of protocols to ensure privacy and security standards within an interoperable environment. The products to be derived from this project include Strategic and Operational Plans, interim and final evaluation reports, data reports and articles for publication and presentation, and abstracts for national conferences.

5. Project Narrative

Alabama recognizes the need to establish a statewide health information exchange to advance the adoption and meaningful use of electronic health records by a diverse group of health care providers. The mission of the exchange is to improve health care quality and efficiency by facilitating the meaningful adoption of health information technology and the secure exchange of health information. To achieve this mission, the following goals have been established: 1) ensure health information is available to health care providers at the point of care for all patients; 2) reduce medical errors and avoid duplicative procedures; 3) improve coordination of care between hospitals, physicians, and other health professionals; and 4) provide consumers access to their own health information to encourage greater participation in their health care decisions.

a) Current State
Overview of Alabama's Current State

This opportunity comes at a pivotal time in Alabama's development of HIE. Alabama was one of the first states to receive Medicaid Transformation Grant (MTG) monies. As a result, since January 2007, the Alabama Medicaid Agency has led a broad-based effort to transform the state's fragmented claims and process-oriented system into one that is coordinated, patient-centered and cost-efficient. Now, the lessons learned from this initiative, known as *Together for Quality* (TFQ), position Alabama to move forward to expediently and effectively develop the statewide policy, governance, technical infrastructure and business practices needed to support both the delivery of HIE services and providers' ability to meet meaningful use criteria.

Through the TFQ initiative, Alabama Medicaid has created a web-based electronic health record system that compiles claims-based information from both Alabama Medicaid and

Blue Cross and Blue Shield of Alabama as well as certain physician-entered clinical information. This information is available through an end-use web application known as QTool or through uni-directional CCD exchange. The claims-based information is overlaid with clinical alerts indicating missed opportunities based on national evidence-based standards of care. For example, physicians are "reminded" that diabetic patients need eye and foot exams or that asthma patients are seeking care in the emergency room or not taking medications appropriately. E-prescribing, including prescription history, electronic refill requests and history of fill status, is also available to physicians. In addition to clinical information, Medicaid eligibility information, including managed care assignment and benefit utilization, is available. QTool has been offered to our providers at no cost and since it is web-based there is no special hardware or software required.

Technically speaking, Alabama's current HIE system is a hybrid model, with Medicaid data centralized and other data sources pulled in at the time of query. This information is then compiled and pushed out through an end-use application or through a summary CCD.   It is our plan to upgrade our current system by the end of 2009 by adding the ability to accept queries from multiple, virtually-connected health information exchange entities such as EMRs, hospitals, labs, imaging centers, and other payers. In addition, the system will query all centralized data and then use the record locator to intelligently send off queries to all known virtually connected systems (HIE Entities) that may have data on a patient and to either 1) display it, or 2) send it to the requesting system.   At the present time, reporting is limited to the capability to determine/count the number of searches and transactions related to e–prescribing. Alabama does not have exchange capability with labs including ordering and results and Alabama has not pursued capturing clinical summary data due to the nature of our initiative as an electronic health record and not an electronic medical record.

Since QTool was developed with Medicaid Transformation Grant dollars, it was implemented only in nine pilot counties to determine the impact that having electronic information has on patients with diabetes and/or asthma. At time of application, we have 82 locations enrolled, representing approximately 150 providers. We now have uni-directional exchange with two EMR vendors who make information available through CCD view to approximately 15 providers. Work is underway to establish connection with additional EMR companies. The State recently began working with providers outside the initial pilot group for QTool enrollment.

Throughout Alabama, medical communities also have developed some limited levels of exchange. Most of these entail linking their internal systems, and in some isolated cases involve hospitals exchanging data with physicians who are part of their system. To our knowledge, there are no "systems" in Alabama communicating with other "systems" outside their own medical community.

As part of the Together for Quality project, the Alabama Medicaid Agency instituted a Stakeholder Council which has open enrollment to any interested party. From that Council, five workgroups were developed: Clinical; Legal/Privacy; Technical; Finance and Policy. As a method of governance, a Steering Committee was put into place that would take recommendations from the various workgroups for approval and presentation to the Alabama Medicaid Commissioner. The Policy Workgroup serves as the liaison between the various workgroups and the Steering Committee. Each workgroup was fully engaged at the beginning of the project with interest leveling off as program components were implemented. For example, the Technical Workgroup was instrumental in designing and evaluating the technical specifications for the technical infrastructure of the current system. Once the infrastructure was in place, the

Technical Workgroup has had limited ongoing involvement other than serving as a resource to the project as a whole. Workgroups continue to meet as the need dictates.

Alabama's Transformation Grant is scheduled to end March 31, 2010, and our contract with the current technical vendor ends September 30, 2010. Current efforts are being managed by Kim Davis-Allen, Director of Medicaid's Transformation Initiatives. Ms. Davis-Allen is an employee of the Alabama Medicaid Agency (state government.

Describe the Progress and Status of the State in its Project Planning and Implementation as Described in Section IE1 Self-Assessment of the State's Current Status

The State does not have a Strategic or Operational Plan. It is our goal to have these submitted to ONC by April 1, 2010. The State will use the guidelines contained in the funding announcement (FOA) as well as approved plans from other states and post-award guidance from ONC in formulating our plans. It is our intention to procure expertise in this area to ensure a comprehensive, achievable plan.

b) Proposed Project Summary

Since Alabama does not have Strategic and Operational Plans, the following outlines the steps that are being proposed to formulate the plans. Alabama is committed to a systematic approach in transitioning current efforts into a larger landscape. In addition, transparency will be key in garnering trust and consensus throughout the process.

Overview of State's Approach to Formulate the Strategic and Operational Plans

To facilitate the transition between the current TFQ project and the statewide HIE, a subset of original members of the Stakeholder Council, including HIE leaders and early adopters, has been established. The initial meeting of this group, entitled HIE Council, was a day-long summit designed to educate members about HIE, identify the key priorities and barriers for a statewide initiative and lastly build consensus on the goals and objectives of such an initiative.

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Membership in this Council is open. It will run concurrently with the TFQ Stakeholder Council which meets on a quarterly basis.   From the Summit, a concept paper was developed summarizing the group's recommendations. Key next steps include:

1. Approval of the Concept Paper by the TFQ Stakeholder and HIE Council.

2. Establishment of a Health Information Exchange Commission (Commission) through Executive Order (anticipated) of the Governor to establish early structure and governance. NOTE: In that we are expanding beyond just Medicaid, it is important that all Stakeholders are equally represented in the planning and governance structure. Until such time that permanent governance , this Commission will be an initial avenue for formal decision-making that will be in place and directing the program

3. Establish workgroups representing each of the prescribed domains: Governance, Finance, Technical Infrastructure, Business and Technical Operations and Legal/Policy. In addition to these areas, the State will add a workgroup specifically to address the Communication/Marketing aspect of the project. It will be critical that individuals, including providers and consumers, are engaged and informed as the plan is developed and the exchange operationalized. Other workgroups may be added based on need.

4. The Commission will use the concept paper as a guide in the development of the Strategic and Operational planning process as it represents the vision of the Stakeholders.

5. A consultant will be procured through contract for expertise in developing the Strategic and Operational Plan. The contractor will be required to work with the Commission in determining how to meet Alabama's expectation for a Health Information Exchange.

It is understood that the Alabama Medicaid Agency, in conjunction with the State HIT

Coordinator and in coordination with the Commission will maintain responsibility for HIE

planning, implementation and operation until such time as a permanent governance structure is

implemented. The Agency also certifies that it has adopted non-discrimination and conflict of

interest policies that demonstrate a commitment to transparent, fair, and non-discriminatory

participation by Stakeholders.

Approach to Ensure Compliance with the Privacy and Security Requirements for Health IT (Section I, F, 2)

Addressing privacy and confidentiality issues is critical to the success of the Alabama's

HIE efforts. Alabamians will only support HIE if they trust that their personal health information

is kept private and confidential. There are many new benefits to both patients and other

healthcare entities in data availability that HIE makes possible. HIE also increases new risks to

the privacy and confidentiality of patients. If patients do not trust HIE, they may take steps to

opt-out, thus limiting the benefits of health information exchange. Of greater concern is the

potential that data security fears may discourage Alabamians from seeking care. Given these

concerns, rigorous protection of health information is essential to the long-term success of

Alabama's HIE efforts.

As the Commission develops its Plans, the experience from TFQ will be a starting

foundation. The TFQ efforts have made use of established privacy and security policies and

procedures previously established by the Alabama Medicaid Agency to protect citizen interests

while allowing appropriate use of health information.

During our transition to a new governance structure, the State will continue to protect

the confidentiality and integrity of sensitive information while ensuring it is available when

needed. As information sharing across states lines becomes a reality, the State will work with

State Designated Entities from neighboring states to facilitate the interstate health information

exchanges. To accomplish this goal, the State will compare policies and protections afforded the

data in each state and negotiate means of exchanges which will allow data to flow in a timely

manner while providing the appropriate safeguards.

The State will follow similar procedures in complying with any federal requirements

made for protection of health information in the event the State exchanges data with any

federal entities such as Department of Veterans Affairs, Department of Defense, or the Indian

Health Service. The State will analyze the necessary constraints and make any adjustments as

needed. In determining the policies and procedures related to privacy and security, the State

will consider the following sources:

- ARRA - The State recognizes the need to provide for the new privacy and security

    provisions of the regulations including further guidance from CMS. Specifically, the

    State will make certain that: breaches are appropriately addressed; business associate

    agreements are revised as necessary; procedures are in place to exclude treatment

    records if "self pay "patients request it; accounting of disclosure requirements are met;

    EHR records are provided to the patient upon request; and, marketing is limited as

    required in the regulations.

- HIPAA Privacy Regulations – The State understands these standards address the use and

    disclosure of individuals' health information—called "protected health information" as

    well as standards for individuals' privacy rights to understand and control how their

    health information is used. The State will ensure that use and disclosures of PHI are

    appropriately controlled; notices of privacy practices are sent as required; rights of

    citizens to restrict uses of their data are protected; accounting of disclosures of recipient

    information is provided upon request; citizens are given a copy of their health

information upon request; and requests by individuals for health information

modifications are permitted.

- HIPAA Security Regulations – These standards provide the mechanisms to ensure that
  health information is appropriately protected. The standards are delineated into either
  required or addressable implementation specifications. The State will ensure:
  administrative safeguards are followed; physical safeguards are followed; organizational
  requirements are met; and security policies are developed as required.

- The Confidentiality of Alcohol and Drug Abuse Patient Records Regulation (42 CFR Part 2)

- The HHS Privacy and Security Framework – The State appreciates how this framework
  illustrates a consistent approach to address the privacy and security challenges related
  to electronic health information exchange, regardless of the legal framework that may
  apply to a particular organization. In developing our privacy and security guidelines, will
  the following principles will be considered from this framework: Correction; Openness
  and Transparency; Individual Choice; Collection, Use and Disclosure Limitation;
  Safeguards; and Accountability.

Communication Strategy With Key Stakeholders and the Health Community:

A variety of communication strategies will be employed to promote participation by a diverse

stakeholder group, build trust and consensus, and facilitate the transition from an Agency-led

initiative to a fully independent Health Information Exchange (HIE).   The Agency will use

currently employed methods such as email listserv communications, web casts, in-person

presentation and meetings, publication of reports and articles in Agency and stakeholder

publications, and posting of documents and presentations on the Agency's website to

communicate with key Stakeholders and the health community, including existing stakeholder

groups (TFQ and HIE); health care associations; vendors; physicians, hospitals, ancillary

providers, and consumers. In addition, the Agency participated in the NGA-sponsored learning

forum in September 2009 which also included representation from Alabama Governor Bob

Riley's Policy office, the Alabama Primary Health Care Association, Blue Cross and Blue Shield of

Alabama, the Alabama Hospital Association and three representatives of the Medicaid Agency

to ensure broad-based involvement. Additionally, the Agency is a frequent presenter at

national conferences in which the state's HIE progress and future plans are showcased.

Involvement of community-based organizations in planning and implementation and targeting of medically underserved populations, special populations, (newborns, children, youth, including foster care, the elderly and persons with disabilities, limited English and mental and substance use disorders and in long term care

Up to this point, community involvement in Alabama's *Together for Quality* initiative has

been primarily centered around the health care community (providers, provider associations),

vendors, payers (Blue Cross and Blue Shield of Alabama) and state health and human service

agencies directly related to it (Public Health, Human Resources (foster children, disabled adults),

Mental Health (adults and children with disabilities), Senior Services (elderly), Rehabilitation

Services (individuals with disabilities) or advocates for the poor (ARISE). To further HIE in

Alabama, additional groups have been targeted for involvement.

Primary communication goals for Alabama's HIE initiative include: 1) promote trust in

and support of a statewide health information exchange by identifying, including and

communicating with non-traditional Stakeholders (including, but not limited to community-

based mental health providers, advocates for consumers with disabilities, medically-

underserved populations such as those in Alabama's Black Belt region) as well as those already

involved in Alabama's TFQ initiative (health care providers, state agencies, private payers, and

vendors) ; 2) encourage local, state and national support for health information exchange via

communications with external audiences, to include key Stakeholders, the health care community, and opinion leaders from within business, government and the news media.

The Agency has actively solicited the involvement of many community-based organizations in planning and implementation of the *Together for Quality* project. These organizations currently participate in both the TFQ and HIE stakeholder councils and it is anticipated that representatives of these organizations will be appointed to the various workgroups. Additionally, the State recognizes the value in expanding consumer and community involvement in the planning process to ensure that the system meets basic expectations, particularly for the consumer whose medical data and interests are central to the operation of the exchange.

Consideration and Incorporation of the Interests of the Following Stakeholders in Planning and Implementation Activities

- **Health care providers, including those serving the low income and underserved:** Covering nearly 1 million Alabama residents each year, the Alabama Medicaid Agency has a ongoing relationship with thousands of health care providers. However, it is its relationship with approximately 1100 Patient 1st (primary care case management) primary medical providers that provides a vital foundation for quality improvement activities and HIE. Within this group are federally qualified health centers and rural health clinics which principally serve those in rural and/or disadvantaged areas. These, along with other representatives of physicians, hospitals and public clinics will continue to play a central leadership role for Alabama's HIE initiative through participation in the stakeholder council and HIE workgroups.

- **Health plans:** Blue Cross and Blue Shield of Alabama, which insures approximately 80% of privately covered lives in Alabama (almost 2 million individuals in Alabama, representing

30,000 companies), has been actively involved in the *Together for Quality* initiative since its inception in 2007, and provides patient data for *QTool,* the project's electronic health record. BCBS is expected to continue as an important partner in the success of Alabama's HIE.

▪ **Patient or consumer organizations:** Consumer trust is integral to the success of HIE and involvement of consumer advocates is a priority for Alabama's HIE effort. ARISE, the state's most visible and active advocacy organization, has actively supported the state's HIE efforts. Other groups, including advocates for consumers with disabilities, and organizations working on behalf of medically-underserved populations (e.g. Alabama's Black Belt Action Commission and the Alabama Rural Action Commission) will be included in the planning and implementation of HIE.

▪ **Health information technology vendors:** Throughout the development of the Together for Quality project, the Agency has met with interested vendors. During the TFQ development process, more than 20 vendors were invited to present ideas and options that were ultimately used to develop an RFP for the Alabama project. Continued participation in HIE/technology-related conferences and state workgroups (including the newly formed HIE Council) have provided additional opportunities to network with a wide variety of vendors to ascertain skill sets, conceptual framework and other technical aspects needed for a successful HIE effort in Alabama.

▪ **Health care purchasers and employers:** Additionally, the Agency has partnered with employer-based organizations such as the Employers Coalition for Healthcare Options, ECHO, a north Alabama-based employer organization founded in 1981 to share information related to the cost and quality of local health care benefits and services. Representatives

from the Alabama Retail Association and other business organizations also participate in the TFQ Stakeholder Council and will be involved in HIE planning and implementation as well.

- **Public health agencies:** The *Together for Quality* project has paved the way for a close working relationship between the Agency and several state health and human service agencies. The Alabama Department of Senior Services is an active partner in TFQ, pilot testing Qx, an interoperable system to share data on mutual clients. Agencies currently participating in the TFQ Stakeholder Council include Children's Affairs, Senior Services, Public Health, Human Resources, Mental Health, and Children's Rehabilitation Services. Commissioners and directors of these agencies meet on a weekly basis and are committed to the principles of HIE and to a cooperative planning effort to ensure full integration.

- **Health professions schools, universities and colleges:** The Alabama Medicaid Agency currently works with faculty and staff of several state universities, including the University of Alabama Birmingham schools of medicine, nursing, dentistry, and allied health; the University of South Alabama and the USA School of Medicine, the University of Alabama (Tuscaloosa), and primary care residency programs throughout the state. Involvement with these organizations is not only essential to the planning and implementation, but for the long-term use and sustainability by individuals as they move from being students into the health care workplace. It is anticipated that development of other productive partnerships with public and private universities will strengthen the HIE network by providing a mechanism to integrate the use of HIE into the education of health professionals in the state while offering new options for public service.

- **Clinical researchers:** For many years, the Agency has readily made authorized data available to clinical researchers. These cooperative efforts have resulted in a number of publications, expanded opportunities to validate program efforts and provide heightened accountability.

The Agency currently has contractual agreements with the University of Alabama

Birmingham and the University of South Alabama (Mobile) for statistical analysis and

support for the Agency.

- **Other users of HIT such as provider support staff, etc.:** As Alabama's HIE is developed and

    implemented, Alabama Medicaid will seek to involve representatives of state health

    information management organizations, HIMSS (Healthcare Information and Management

    Systems Society) IT professional and technical associations and others with specific expertise

    and skill sets to ensure the integrity and success of HIE in Alabama.

c) *Required Reporting and Performance Measures*

Reporting Requirements:

In that Alabama does not have a Strategic or Operational Plan, the following information

provides the "thought processes" that will be used in the planning process. It is understood that

each of these will have to be defined as part of the planning and implementation process. The

State understands and accepts all reporting requirements.

- **Governance**

Representation:
The Alabama Medicaid Agency is the HIT state designated entity designated by the Governor.

The Health Information Exchange Commission will serve as an Advisory Board to the Agency. It

is anticipated that the Commission will be comprised of not more than 20 specific voting

members with other individuals representative of the provider community, consumers,

business community, health plans, government, information technology experts and health

policy experts serving in an advisory capacity on each of the workgroup domains.   The proposed

members of the Commission can be categorized as 50% public and 50% private.

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Specific Representation:

The Commission will include at a minimum, the following representation with voting authority

Alabama Medicaid Agency, Chair
Medical Association of the State of Alabama Representative
Hospital Representative
Alabama Academy of Pediatrics Representative
Alabama Academy of Family Physicians
Pharmacy Representative
Long-Term Care Industry Representative
Primary Health Care Center Representative
Governor's Office Representative
Alabama Department of Public Health Representative
Alabama Information Systems Division Representative
Alabama Department of Mental Health Representative
Alabama Department of Human Resources Representative
Alabama Department of Senior Services Representative
Alabama Department of Rehabilitation Services Representative
Consumer Representative
HIE Regional Extension Centers Representative
Private Health Plan Payer Representative

Medicaid Representation:

Governor Bob Riley has designated the Alabama Medicaid Agency as the official State Agency to administer the grant for Health Information Technology and will maintain a primary role in the governance. In addition, Margaret McKenzie has been named HIT Coordinator for the State. Ms. McKenzie is a policy analyst in the Governor's office.

Strategic Plan:

The Strategic Plan has not been formulated.

Operational Plan:

The Operational Plan has not been formulated.

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Open Meeting:

 All related meetings will operate under Alabama's Open Meeting Act.

Regional HIE initiatives:

The Agency is in the process of identifying such initiatives and making sure that they are

engaged. While they may not be direct members of the Commission, they will be encouraged to

participate in the HIE Council and/or workgroups.

- **Finance**

Financial policies and procedures:

The Agency is a unit of state government and is the entity that will administer the State Health

Information Exchange Cooperative Agreement. Once a permanent governance structure is in

place, use of generally accepted accounting principles will be a condition of receiving grant

funds. The Finance Workgroup will be tasked with developing requisite financial policies and

procedures.

Revenue from public and private sources:

Identification, maximization and sustainability of funding sources will be a priority for the

Commission.

Direct sources of funding:

To be determined in addition to the cooperative agreement dollars. It should be noted that

there are many local level efforts underway to implement end-use EMRs and local exchanges.

These resources as well as other identified sources of money will be leveraged. It is envisioned

that many resources will be in-kind from supporting organizations.

Source of charitable contributions:

None to date other than in-kind from supporting organizations.

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Business plan for sustainability:

The Commission will be charged with establishing a sustainable business plan. Outside expertise

 will be assigned to assist with the formulation of the business plan.

Budget review by oversight board:

It is anticipated that the Commission will oversee any budget expenditures.

Single audit requirements of OMB:

The Agency recognizes Federal Circular OMB A-133 regarding single audit requirements.

Outside expertise will be assigned to work with the budget.

Secure revenue stream beyond performance period:

A secure revenue stream will be a part of the sustainable business plan.

- **Technical Infrastructure**

Is the statewide technical architecture for HIE developed and ready for implementation according to HIE model(s) chosen by the governance organization?

Alabama has developed a hybrid infrastructure that operates the current electronic health

record, QTool.   The Technical Infrastructure Workgroup will be tasked with evaluating the

current system to determine how to incorporate it into the statewide exchange. The current

system does have exchange capability.

Does statewide technical infrastructure integrate state-specific Medicaid management information systems?

The current system receives information from the Alabama MMIS but there is not a direct

integration. This type of connectivity will be evaluated by the Technical Infrastructure

Workgroup.

Does statewide technical infrastructure integrate regional HIE?

The current system pushes information into vendor-based EMR systems but not into

regional/local HIEs. As previously stated,the bi-directional capability for QTool is scheduled to

be available by the end of the year and we expect to have a partner for the exchange at that

time. These steps position the current infrastructure to be used as the foundation for a larger

exchange.

What proportion of health care providers in the state are able to send electronic health information using components of the statewide HIE Technical infrastructure? What proportion of health care providers in the state are able to receive electronic health information using components of the statewide HIE Technical infrastructure?

This has not been evaluated in a comprehensive study. Various provider groups are in the

process of compiling this information from their providers. In addition, the Agency is working

with the Alabama Health Information Management Systems Society (HIMSS) to identify

potential exchange partners.

A key component of the Strategic and Operational Plan will be to determine the business

rules for exchange as well as a process for determining what pieces of information will be

included in the exchange. It is anticipated that Alabama's approach will be to build upon current

infrastructure to give providers the ability to exchange multiple layers of information among

themselves and with others to drive quality improvement and achieve meaningful use.

- **Business and Technical Operations**

Is technical assistance available to those developing HIE services?

It is anticipated that the selected statewide HIE vendor will provide technical assistance.

Additionally, the Regional Extension Centers will have responsibility at the provider level for

technical assistance in selecting products that will connect with the exchange. The plan is to

allow for community-based initiatives to apply to the Commission for monies to build local

exchanges. A grant process will be determined by the Commission that will include specific

performance and reporting measures as a condition of funding.

Is the statewide governance organization monitoring and planning for remediation of HIE as necessary throughout the state?

Remediation needs will be assigned to the Business/Technical Operations Workgroup with

assistance from the Legal Workgroup. Remediation will be addressed in any sub-grant

agreements and in the agreement with the statewide HIE vendor.

What percent of health care providers have access to broadband?

The Alabama Broadband Initiative and ConnectingALABAMA office is in the process of

completing their mapping of service. As part of the State's planning process, we will work with

this office to determine exact healthcare provider coverage.

What statewide shared services or other statewide technical resources are developed and implemented to address business and technical operations?

This will be evaluated as part of the development of the Strategic and Operational Plans.

- **Legal /Policy**

Development and implementation of privacy policies and procedures:

The Agency understands the requirements surrounding HIE (as referenced earlier) and is

committed to ensuring that any statewide exchange is in full compliance.

Status of signed trust agreements:

None to date.

Incorporation of provisions allowing public health data use:

The Agency will require that any partner in the exchange will sign the requisite agreements

including a data-sharing agreement that specifies provisions for enabling access to public health

data. The Legal/Policy Workgroup will have responsibility for identifying and developing such

agreements.

Performance Measures:

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The Agency understands the requirement and will report the following measures and other

future measures identified by ONC during the implementation period:

- Percent of providers participating in health information exchange services enabled by statewide directories of shared services;

- Percent of pharmacies serving people within the state that are actively supporting electronic prescribing and refill requests; and

- Percent of clinical laboratories serving people within the state that are actively supporting electronic ordering and results reporting.

In addition, the Agency will provide reporting and required measures for awards made under

ARRA related to preserving and creating jobs.

d) Project Management

Currently, Alabama does not have a HIT or HIE office established to formally carry out

these activities. Governor Bob Riley has designated the Alabama Medicaid Agency as the entity

responsible for accomplishing this task. Margaret McKenize, Policy Analyst, Governor's Office,

will serve as the state's HIT coordinator. This role will be interim until such time the HIT office is

established. Organization of a HIT (encompassing all aspects related to health information)

office within the Alabama Medicaid Agency is in process and the charge of this office will be to

coordinate and maximize available financial resources in the construction of an HIE system. Key

positions/duties of the office will include:

Director – with knowledge and experience in HIT, project management, public relations

skills, public presentations and grant management including reporting.   Key tasks of this

position include: coordination and leverage of funding sources, engaging Stakeholders, ensuring

that the public is educated about the goals of the exchange, coordination of planning and

implementation activities, required reporting, and representing the Agency in a variety of

venues including local, regional and national forums.

Administrative Support – with large office management experience, excellent computer skills and public relations experience.

HIE Project Manager – to oversee and coordinate the work of the Commission and coordinate activities with the Broadband Initiatives in the State. HIE experience, project management and public relations will be required. This project manager 's primary responsibility will be to work with the Commission and workgroups in developing processes, taking notes, making assignments, establishing timelines, etc.

Meaningful Use Project Manager – to oversee and coordinate the work required for meaningful use and to coordinate activities with the Regional Extension Center in the State. (NOTE: this role will be defined further in the coming months as the Agency begins work on the meaningful use implementation).

Additional Staff: The State will seek outside expertise through contracts in health care legal, health care finance and marketing to support the HIT office.

The Agency will submit job descriptions clearly delineating tasks and responsibilities as part of the post-award negotiations. It is understood the expectations of project management including day-to-day responsibility, leadership, monitoring, reporting and communication.

It is anticipated that the establishment of an HIT office will require a minimum of four months. In the interim, the Alabama Medicaid Agency will provide the necessary staffing and resources to meet the objectives of the initial planning activities. Timelines are being coordinated to correspond with the commencement of the Commission with the establishment of this office. Any gaps at any point will be covered by Agency resources.

Roles and responsibilities of consultants and partner organizations:

This will be evaluated as part of the development of the Strategic and Operational Plans.

Communications with other partners and ONC:

Successful implementation of HIE in Alabama is contingent on building trust and consensus

among Stakeholders within the health care community and in the community at large. To

facilitate full participation by all Stakeholders, the Agency will seek to engage all Stakeholders

through use of:

- Regular e-mail communications;
- Electronic email lists (Listserv);
- Public posting of all meetings on Agency's website and Alabama's Open Meetings website
- Access to project documents on the Agency's website where dedicated Web pages have been set up;
- Open invitations to participate in work group and steering committee meetings via conference call and web conferences; and
- Opportunity for all Stakeholders and the public to review and comment throughout the project planning and implementation process.

Initially, the Agency's Director of Transformation Initiatives will be responsible for all

communications with and reports for the ONC Project Office and for dissemination of ONC

communications to the Alabama team. It is expected that this responsibility will transition to the

Project Manager.

Approach to monitor and track progress on tasks and objectives:

A project management system will be established to monitor and track progress of each

workgroup/domain. Domain/workgroup leaders will be responsible for updates to the system,

ensuring that deadlines are met, for collaborating and communicating with other members of

the leadership team and for identifying obstacles to implementation so that revisions or action

steps can be taken on a timely basis.

e)   Evaluation

The Agency will contract with a state university, or other quality entity, to design a

comprehensive project evaluation and develop recommended methods, techniques and tools

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that will be used to track and maintain project information for the State to conduct a self-evaluation of the project and to inform a national program-level evaluation. Assistance will be sought from ONC in determining the scope of work.

f) Organizational Capability Statement

Organization of applicant entity:

The Agency has the demonstrated capability to administer this project. The Agency has been recognized as a national leader in its efforts through the Medicaid Transformation Grant. The Agency is a cabinet-level entity reporting directly to the Governor.

Organizational capabilities and scope of work:

Project funding and sustainability:

The Alabama Medicaid Agency is funded through a combination of state and federal monies.

Key staff and publications and reports:

During the planning stage, Alabama Medicaid employees Kim Davis-Allen and Kathy Hall will have responsibility for project management working in conjunction with the HIT Coordinator. Kathy Hall has been with the Agency for 27 years and has served as MMIS Coordinator, Director of Program Integrity and Medical Services Divisions, and for the past 9 years as Deputy Commissioner for Program Administration. Ms. Hall was responsible for the Medicare EHR Demonstration which was awarded to Alabama for Phase II but cancelled when ARRA funding became available. Kim Davis-Allen has worked with the Agency for 26 years in various capacities. Through the years her primary responsibility has been the establishment of new programs, including several managed care initiatives. Since 2007, Ms. Davis-Allen has managed Together for Quality, Medicaid's $7.6 million dollar Transformation Grant. Through this work, a web-based electronic health care record has been established (which is the foundation for this project) as well as a chronic care management program and interoperability with another state

agency. Ms. Davis-Allen has been recognized for her work in the HIE field and is often asked to present on Alabama's experiences.

Contractual organizations*:*

For the planning phase of this project, the State anticipates hiring a consultant to assist in writing the Strategic and Operational Plan.   The consultant will work in tandem with the Health Information Exchange Commission and workgroups to determine Alabama specific needs and desired outcomes.

6. Required Plans

The State does not have a formulated Strategic and/or Operational Plan.

7.   Collaborations and Letter of Commitment from Key Participating Organizations and Agencies *(Letters Included in Attachment C)*

Description of current relationships established to meet the state's health information exchange goals:

As stated previously, the Agency, along with the TFQ Stakeholder Council, has developed, implemented and operated our electronic healthcare record *QTool*, laying the foundation to move to an interoperable, statewide HIE, operating under the auspices of the Alabama Health Information Exchange Commission.

Alabama Health Information Exchange Commission

It is anticipated that this commission will be created by Executive Order and immediately begin work.   The Commission will be charged with developing the Strategic and Operational Plans through the aforementioned workgroups. This Commission will be pivotal in moving the project from the current infrastructure and governance. It is anticipated that the total work of this Commission will take approximately 18 months. A critical responsibility will be to leverage the various financial opportunities and to establish a performance governance model that equitably represents public and private interests.

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Plan to engage groups not currently engaged:

Involvement of groups not currently engaged is an expected outcome of the project's communications efforts which will seek to identify, include and communicate with non-traditional Stakeholders as well as those already involved in Alabama's TFQ initiative (health care providers, state agencies, private payers, and vendors), and to encourage local, state and national support for health information exchange via communications with external audiences including opinion leaders from within business, government and the news media. Additionally, workgroups will be asked to identify any Stakeholders needed for project success and effectiveness. Additional involvement is also expected by the operation of an open and inclusive planning process that provides for public comment and participation.

Description of the commitment of state government:

The Agency has been recognized nationally and within the state for its leadership in administering the state-based TFQ project so that all milestones have been met and exceeded. In addition, the Agency has committed personnel and in-kind resources necessary without taking resources away from the grant.

Additionally, Alabama Governor Bob Riley has committed staff and resources to ensure the success of TFQ in Alabama, and most recently, designated Alabama Medicaid as the agency to lead the HIE implementation effort for the State. The Governor has also committed to bringing broadband to all areas of the State, and to increase the use of broadband technologies to enhance education, healthcare, public safety, agriculture, tourism, and more. Due to this commitment, the Alabama Medicaid Agency is well positioned, along with the Stakeholder Council and the soon-to-be-formed Commission and workgroups, to establish the necessary organizational infrastructure to plan, develop and implement a successful and sustained statewide HIE.

Description of how the state will coordinate with critical Stakeholders:

The Agency has a long history of coordinating with critical Stakeholders through its established advisory committees and the Stakeholder Councils. The Agency is working closely with provider groups throughout the state, including other state agencies, on many aspects related to health information exchange promotion and adoption. This work will continue and expand as we move from the current TFQ initiative to a true exchange.

To expand past the confines of Alabama state lines, the Agency is working with several adjacent states to explore opportunities for collaboration including sharing of policy and procedures, technical solutions, marketing materials and provider services.

Describe financial or in-kind commitments to the project by key collaborating organizations and agencies.

As part of the planning process, key collaborating organizations will be identified as well as the necessary resources that will be required.

8. **Budget Narrative/Justification**

The following chart represents a total of expected expenditures in each category for the
duration of the project. The individual budget sheets, as well as the required 424a's are
included in Attachment D. The individual sheets indicate the justification for each budget
year. The following narrative explains the budget.

Object Class Category	Federal Funds	Non-Federal Cash	Non-Federal In-Kind	TOTAL	Justification
Personnel	$1,046,928	$329,735		$1,376,663	Attach. D
Fringe Benefits	$256,040	$76,813		$332,853	Attach. D
Travel	$37,921	$ 7, 074		$44,995	Attach. D
Equipment	0	0		0	
Supplies	$38,100	$2,750		$40,850	Attach. D
Contractual	$9,180,000	$2,120,000		$11,300,000	Attach. D
Other	$5,800	$2,200		$8,000	Attach. D
Indirect Charges	$0	$0		$0	
TOTAL	$10,564,789	$2,538,572		$13,103,361	

Personnel: Strong, experienced project management is critical in ensuring that the goals and
objectives of the Cooperative Agreement are met. The tasks accomplished in the beginning
stages of this project will serve as the foundation for a long-term commitment to the value of an
electronic health information exchange. In that there are multiple streams of money that can

be used, as well as the need to identify and solicit outside funding sources, the creation of an HIT office within the Medicaid Agency is a priority. The office will consist of four individuals, an Executive Director with experience, two project managers to track, manage, and coordinate the individual programs and administrative support to handle the needs of what will be a fast-paced, priority-driven office. It is anticipated that the each of these individuals, with the exception of the administrative assistant, will possess, at a minimum, a baccalaureate degree, experience in project management, working with large groups, oral presentations and budgeting. By the end of the Cooperative Agreement, all duties will be transferred to the Executive Director with the individual project managers phased out. This line item also contains an allocation for office space at the average square foot price that is currently being paid for existing Medicaid Agency space.

Fringe Benefits: To calculate this amount, 20% was used (7.65% FICA, 11.94% retirement). In addition, state employees with a minimum of five years of service receive a longevity bonus that is calculated based on the number of service years. An average bonus of $600 was used. The State currently pays $805 monthly per employee for health insurance as well.

Travel:

<u>OUT OF STATE</u>: In addition to the ONC-required meetings, the state HIT personnel will need to be involved in national level educational and planning meetings. Additionally, it is anticipated that the State will be asked to be a presenter at many of these type meetings due to our work in this area.

Average night for hotel: $225
Average flight: $500.00
Meal Per Diems: $39 per day
In City Transportation $50 per trip

IN STATE: Travel throughout the state will be necessary to ensure that all stakeholders are

actively engaged in the planning and implementation of the exchange. Education at all levels

will be critical in helping all levels understand what the exchange will accomplish and what steps

will be required to make it happen.

State Per Diem for Overnight Trips: $75.00 per day
Travel less than 12 hours: $11.25

Supplies: These are identified as those things necessary to establish a basic office. After the

first year, costs will be minimal and necessary for general office supply items.

Four notebook computers
Four printers
1 central color printer
Four cell phones
Smart Board
Copier
Misc Office Supplies

Contractual: To the extent possible, the Agency intends to use existing staff and the established

HIT staff to accomplish the establishment of the exchange. It is anticipated however, that

outside expertise will be necessary in crafting the Strategic and Operational Plans, hosting of the

exchange and technical expertise will be required, on an as needed basis, in specific program

areas.

Evaluation: The services of an independent evaluator will be procured to provide the required

self evaluation and to inform a national program-level evaluation.

Consultant for Strategic and Operational Plan Development including Phase One of

Implementation: The development of these plans will required expertise to ensure that all

facets of an exchange are considered. While the workgroups will make recommendations and

represent the needs of the State, it will be incumbent upon this consultant to take all these

needs and recommendations and fold them into a plan that is systematic in its approach,

achievable in the prescribed timeframes and most importantly, achieve the goals of the

exchange.

Project Support (Legal, Finance and Marketing): These services will be obtained on an as-

needed basis throughout the process of planning and implementation.   It is more fiscally

prudent to have these services available contractually than to hire permanent staff that may not

be needed on a full-time basis.

Upgrades to Existing Exchange System: Alabama, through its Medicaid Transformation Grant

monies, has developed a basic infrastructure that supports bi-directional exchange with any

connected system. It is anticipated that funds need to be set aside to perform minor upgrades

to the current system and to pay ongoing maintenance fees to support the exchange capability.

Contracts to Build Local Exchanges: A statewide exchange has to be supported by community

exchanges. It is anticipated that the monies will be sub-granted to local/regional exchanges to

facilitate their connections with the statewide exchange.   The Commission will be tasked with

determining the criteria by which these sub-grants can be awarded.

Other: This line item is to cover the cost of exhibiting at state provider association conferences

(primary care, pediatric, family practice physicians). These conferences are an excellent and

cost-effective forum for reaching a large number of providers in one venue.

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